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IN THE

Supreme Court of the United States

OCTOBER TERM, 1951

No. 254

AMERICAN STEEL FOUNDRIES,
Petitioner,

vs.

HOLLAND COMPANY,
Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT AND BRIEF IN SUPPORT THEREOF

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PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

To the Honorable Chief Justice and Associate Justices of the Supreme Court of the United States:

The Petitioner, American Steel Foundries, prays that the writ of certiorari issue to the United States Court of Appeals for the Seventh Circuit to review the decree of that Court rendered on June 7, 1951 (R. 273), rehearing denied July 3, 1951 (R. 304). A transcript of the record in the case, including the proceedings in said Court of Appeals, is furnished herewith in compliance with Rule 38 of the Rules of this Court.

SUMMARY AND STATEMENT OF MATTER INVOLVED.

The Petitioner was charged with infringement of a patent relating to a railway car truck. The District Court

held that the accused devices were of a class specifically excluded from the patent during the pendency of the application and that the Defendant did not infringe (R. 177-181). The Court of Appeals reversed the judgment of non-infringement without making any reference to or giving any heed to either the Patent Office history of the patent in suit or the District Court's findings with respect to it, and remanded the case with directions to make appropriate findings upon the issue of validity (R. 273). The effect of the decision of the Court of Appeals is to permit Respondent to recapture what was specifically abandoned in the Patent Office (R. 144, 147).

The specification of the patent in suit, Goodwin No. 2,053,989 (R. 197) discloses two classes of railway car trucks. Broadly speaking each is a truck which has built into it friction means to dampen the oscillations of the truck springs. In one class the friction and damping effect is brought about by the resistance of the usual truck springs to the load of the car and is proportional to the load. In the other class, generated friction is brought about by independent springs and the damping is substantially constant irrespective of the load (R. 198, Compare col. 1, lines 51 to 58 with col. 1, lines 58 to 68). While the application was pending in the Patent Office, the Examiner ruled that Goodwin must elect as to which class of devices he would protect by that patent application (R. 144). Subsequently Goodwin cancelled all claims in the application directed to the second class with the express acknowledgment.

> "the position of the Office being absolutely correct" (R. 147).

The accused devices were established by unchallenged testimony and other evidence to be of the second class (R. 54-7, 104-5).

The District Court found the facts in accordance with the unassailed and unassailable evidence. Specifically the District Court found that the Goodwin specification disclosed two classes of devices (R. 179). Further, the District Court specifically found Class Two devices were eliminated from the Goodwin patent by the applicant, upon the suggestion of the Examiner during the pendency of the application (R. 180). The District Court further found specifically that the accused devices were "Class Two" devices and therefore did not infringe claim 10 of the patent (R. 180).

The Court of Appeals gave no heed whatsoever to the findings of the District Court. Whereas the District Court had found as a fact that the Goodwin application disclosed two classes of devices in one of which the friction was proportional to the load, and in the other of which the friction was substantially constant regardless of load, the Court of Appeals did not mention this fact (R. 268). In support of the District Court's finding is the clearly undebatable disclosure of the patent itself (R. 197) as well as all of the testimony (R. 54-7, 104-5) and the persuasive ruling of the Patent Office upon the basis of which the patent was granted, the Patent Office having stated that devices of the character of the accused structure relate "to a distinct invention, since the operation does not depend upon the bolster load" (R. 144. Whereas the District Court (R. 180) found that in the Patent Office Goodwin, the patentee, eliminated all Class Two devices from his patent, the Court of Appeals made no mention of this fact (R. 268-272). The District Court's finding was supported by the clear statements in the file wrapper whereby the Examiner required division because Class Two devices related to "a distinct invention", the applicant concurring, agreeing that the position of the Patent Office

was "absolutely correct" (R. 144, 147). Whereas the District Court found that the accused devices were in Class Two (R. 180), the Court of Appeals did not refer to this fact but in its opinion incorrectly described the accused structures (R. 270-271). The finding of the District Court in this regard is supported by the only evidence in the case (R. 54-57; 104-105; 120-129).

After the filing of the opinion by the Court of Appeals on June 7, 1951, the Petitioner promptly filed Petition for Rehearing (R. 281). The Petition for Rehearing pointed out that the opinion of the Court of Appeals was wholly in error in its statement as to the nature of the accused devices (R. 282). Attention of the Court of Appeals was called to the specific findings of the District Court who had heard the witnesses and observed the demonstration of the operation of the accused devices with models (R. 286-7). The Petition for Rehearing called the attention of the Court of Appeals to three errors with respect to the accused devices, the Court of Appeals having erroneously stated that the accused devices (1) had all of the elements of Figure 8 of the patent drawings; (2) contained additional horizontal springs; and (3) in their operation secured supplemental or additional friction by the supposed additional horizontal springs (R. 282-7). The Petition for Rehearing also called the attention of the Court of Appeals to the fact that the Court of Appeals had omitted consideration of specific portions of the patent in suit which distinguish Class Two devices of the type of the accused structure (R. 288-9). The Petition for Rehearing further called the attention of the Court of Appeals to its complete misapprehension of the issue of infringement due to its disregard of the findings of the District Court (R. 290-1). The Petition for Rehearing further called attention to the fact that the Court of Appeals had ignored the Patent Office history and findings of the District Court

with respect to it, and that the effect of the decision of the Court of Appeals was to permit the Plaintiff to recapture what was specifically abandoned in the Patent Office (R. 291-3). The Reply to the Petition for Rehearing (R. 299) did not and could not deny any of the factual statements in the Petition for Rehearing or the controlling effect of the District Court's findings, to which attention was called in the Petition for Rehearing. The reply merely referred to some of the language in the Court's opinion as an "inadvertence" and as a "slip of the tongue" (R. 299, 300). In the decision on rehearing, the Court of Appeals again failed to make any reference to the controlling findings of the District Court, or the basis for that Court's decision. Instead, the opinion on rehearing merely amended the original opinion by substituting the words "independent additional" for the word "horizontal", in three occurrences in the original opinion of the Court. Thus the opinion on rehearing ignored every one of the major points presented in the Petition for Rehearing and dealt solely with a minor matter of phraseology which, in the Petition for Rehearing, was not treated as a major or controlling error (R. 284, 303).

JURISDICTION.

The jurisdiction of this Court arises under Title 28 U.S.C. Section 1254. The judgment of the Court of Appeals for the Seventh Circuit, which Petitioner seeks to have reviewed, was entered on June 7, 1951 and rehearing was denied on July 3, 1951 (R. 273 and 304).

THE QUESTIONS PRESENTED.

1. Whether an applicant for a patent can, in order to obtain allowance of his patent, expressly agree that the Patent Office is "absolutely correct" in ruling that he had

been seeking patent protection on two distinct inventions and expressly agree to confine his patent to one only of those inventions, and then in an infringement suit successfully charge infringement by a device of the character expressly disclaimed in the Patent Office.

2. Whether on an appeal from a judgment for Defendant on the grounds of non-infringement, supported by findings of the Trial Court that the accused device has different means and a different manner of operation than claimed in the patent in suit, when supported by the only evidence presented on the issue, the Court of Appeals may disregard such findings and substitute its own findings without any support in the record.

THE REASONS RELIED ON FOR THE ALLOWANCE OF THE WRIT.

The discretionary power of this Court is invoked upon the following grounds:

1. The decision of the Court of Appeals for the Seventh Circuit in disregarding the fact findings of the District Court is in conflict with applicable decisions of this Court and is in conflict with decisions of other Courts of Appeal.

2. The decision of the Court of Appeals for the Seventh Circuit in reversing the District Court and in stating that the District Court was "clearly in error" without referring to or considering the fact findings of the District Court and the basis of that Court's decision is such a departure from the accepted and usual course of judicial proceedings and such a departure from Rule 52 of the Federal Rules of Civil Procedure as to call for the exercise of this Court's power of supervision.

Wherefore, your Petitioner respectfully prays that the writ of certiorari be issued under the seal of this Court, directed to the United States Court of Appeals for the

Seventh Circuit, commanding that Court to certify and send to this Court on a day to be designated, a full and complete transcript of the record and of all proceedings in the United States Court of Appeals for the Seventh Circuit, had in this cause, to the end that this cause may be reviewed and determined by this Court; that the judgment of the United States Court of Appeals for the Seventh Circuit be reversed, and that Petitioner be granted such other and further relief as may be proper.

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Supreme Court of the United States

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No.

AMERICAN STEEL FOUNDRIES,
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BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

I. OPINIONS OF THE COURTS BELOW.

The Memorandum opinion, Findings of Fact, Conclusions of Law, and judgment of the District Court appear in the record at pages 177 to 181 inclusive, and are reported in *95 Fed. Supp. 273.*

The opinion of the Court of Appeals for the Seventh Circuit appears in the record at pages 268 to 272 inclusive. The opinion of the Court of Appeals of the Seventh Circuit on rehearing appears at page 303 of the record.

II. JURISDICTION.

The jurisdiction of this Court is invoked under Title 28 U.S.C. Section 1254. The judgment of the Court of Ap-

peals was entered and opinion filed on June 7, 1951. The opinion was modified and rehearing denied on July 3, 1951.

III. STATEMENT OF THE CASE.

The Goodwin patent in suit, No. 2,053,989 (R. 197) discloses a railway car truck having a built-in shock absorber. A railway car truck has a side frame at each side parallel with the car tracks, springs upon the side frames, and a bolster supported by the springs and extending from one side frame to the other. The shock absorbing mechanism consists in friction elements so arranged that as the truck bolster moves up and down relative to the side frames of the truck, the resulting friction dampens the oscillations of the railway car springs. The Memorandum of the District Court (R. 177-181) describes the disclosure of the patent, and the structure of the accused devices. The basis of the District Court's ruling that the accused car trucks do not infringe, appears from the following excerpts from this Memorandum (R. 179-180):

> "* * * The drawings of the Goodwin patent reveal that there are actually two separate classes of devices. Class One, as illustrated in the previously described Figures 1, 2, 3, 4 and 8, includes those devices in which the truck load carrying springs are employed to operate and urge the shoes, associated with the bolster, against the friction means or plates on the side frame columns. Class Two, as illustrated in Figures 5, 6 and 7, includes those in which the friction shoes associated with the bolster are directly pressed against the friction means or plates on the side frame columns by springs independent of the load carrying coils, thereby producing practically constant pressure.
>
> "Claim 10 of the patent in suit clearly relates only to Class One devices. This is confirmed by the fact that Claim 10 originated in the Shafer application which in its entirety was limited to Class One devices.

Class Two devices were eliminated from the Goodwin patent by the applicant, upon the suggestion of the examiner of patents, during the pendency of the application. The Goodwin file wrapper (Defendant's Exhibit 34) is uncontroverted evidence of this fact. * * *"

* * *

"It therefore seems clear that Claim 10 of the patent in suit applies solely to Class One devices as illustrated in Figures 1, 2, 3, 4 and 8 of the patent. Defendant's accused devices each contain inside independent springs, activating the shoes against the sides to generate friction, and thus clearly do not infringe Claim 10 in suit. Claim 10 falls within Class One where the friction generated is directly proportional to the load. Defendant's accused devices would come within the category of Class Two, where the friction is at least in part generated by independent springs working against the shoes and sides of the devices. Since Claim 10 cannot be construed to include devices of the Class Two type, clearly the defendant's accused devices do not infringe the claim in suit. In other words, in order to establish infringement, there must be identity of means, operation and result. Here, there is no identity of means and operation and, consequently, plaintiff's attempt to show infringement must fail."

The Court of Appeals reversed without mention of the fact findings or reasoning of the District Court. The stated basis of the Court of Appeals decision is that the accused devices differ from the patented device "only in degree" (R. 271). The Court of Appeals did not mention the Patent Office history. What the Court of Appeals characterized as "a difference only in degree" was considered by the Patent Office as a matter "relating to a distinct invention" (R. 144), and Goodwin was required to relinquish any claim to patent protection upon this "distinct invention" before the Patent Office would grant him any patent.

The fundamental errors in the decision of the Court of Appeals were called to its attention in the Petition for Rehearing (R. 281). In its opinion on rehearing, the Court of Appeals (R. 303) made no reference to its disregard of the District Court's findings and the facts upon which those findings were based, but merely corrected some minor errors in language which Respondent conceded existed in the opinion of the Court (R. 299-300, 303).

IV. SPECIFICATION OF ERRORS.

Each of the errors set forth in the Petition will be urged.

V. ARGUMENT.

The decision of the Court of Appeals permitting a patent owner to recapture what he had expressly abandoned in the Patent Office is contrary to the fundamentals of patent law and in direct conflict with the decisions of this Court in *Schriber-Schroth* v. *Cleveland Trust Co.*, 311 U.S. 211, 220, 221 (1940): and *Exhibit Supply Co.* v. *Ace Patents Corp.*, 315 U.S. 126, 136 (1942).

While the Goodwin application was pending, both Goodwin and the Patent Office recognized that Goodwin was claiming patent protection on two distinct types of devices. The patent specification, as it then existed in the application and as it finally appears in the issued patent, expressly makes the distinction (R. 197). The Patent Office ruled that a division was required between application claims 4, 5 and 6, and the remaining claims of the application, stating "They appear to contain subject matter relating to a distinct invention, since the operation does not depend on the bolster load" (R. 144).

Goodwin then had an election. He could either contest the Examiner's action, and appeal if necessary, or he could acquiesce and agree. Goodwin chose the latter course. He

cancelled application claims 4, 5, and 6 and in the remarks accompanying the cancellation agreed "the decision of the Office being absolutely correct." (R. 147).

After Goodwin's patent issued, the claims of the patent were all to be interpreted with reference to this cancellation of claims and the deliberate and express abandonment of any patent protection on devices in which the operation does not depend on the bolster load. This Court, in its opinion by Mr. Justice Stone, expressed the thought in *Schriber-Schroth* v. *Cleveland Trust Co.,* 311 U.S. 211, 220-221 as follows:

> "It is a rule of patent construction consistently observed that a claim in a patent as allowed must be read and interpreted with reference to claims that have been cancelled or rejected, and the claims allowed cannot by construction be read to cover what was thus eliminated from the patent. * * * The patentee may not, by resort to the doctrine of equivalents, give to an allowed claim, a scope which it might have had without the amendments, the cancellation of which amounts to a disclaimer. * * * The injurious consequences to the public and to inventors and patent applicants if patentees were thus permitted to revive cancelled or rejected claims and restore them to their patents are manifest. See *Leggett* v. *Avery,* 101 U.S. 256, 259."

The American railroads and car manufacturers were entitled to rely upon Goodwin's election. As early as 1943, certain railroads requested an opinion from the Western Section of the Association of American Railroads patent office as to the scope of Goodwin's claims and those railroads were advised that the trucks now accused did not infringe (R. 43). Petitioner also sought opinion of counsel and advised the Respondent in 1943 that it had received two opinions that it did not infringe (R. 43, 111, 113).

Six years later Respondent filed the present suit charging infringement. The Court of Appeals has ignored these facts. Its decision results in the denial of the right of the railroads and the Petitioner to rely upon the election made by Goodwin, and to rely upon Goodwin's express agreement that the Patent Office was "absolutely correct" in stating that devices such as the accused devices, relate "to a distinct invention, since the operation does not depend on the bolster load". The Court of Appeals decision is contrary to the rule applied by this Court in *Schriber-Schroth* v. *Cleveland Trust Co.*, 311 U.S. 211, 220, that "claims allowed cannot be construed to read to cover what was thus eliminated from the patent".

The decision of the Court of Appeals is in irreconcilable conflict with the decision of this Court in *Schriber-Schroth* v. *Cleveland Trust Co.*, 311 U.S. 211 (1940). In that case, this Court held that patent claims must be construed in the light of the Patent Office history and specifically in the light of rejected claims. Jardine, the patent applicant in the *Schriber-Schroth* case, was required by the Patent Office to cancel claims calling for pistons with flexible webs. Jardine cancelled the claims. Other claims which were ultimately allowed to him were construed, in view of his cancellation of claims, as not including the flexible web feature. Goodwin, the patent applicant for the patent in the case at bar, was required by the Patent Office to elect between most of the claims in his application and certain claims calling for a truck structure in which "the operation does not depend on the bolster load" (R. 144). Goodwin cancelled these claims. The District Court properly held that claim 10, ultimately allowed to Goodwin, must be construed as not including the distinct class of devices which Goodwin had thus disclaimed in the Patent Office. The Court of Appeals reversed and permitted the Respondent to recapture what had been expressly aban-

doned in the Patent Office. The case at bar presents an even clearer instance of estoppel than was present in the *Schriber-Schroth* case. Here the Patent Office ruled that devices, like the accused devices in which "the operation does not depend on the bolster load", relate to a "distinct invention" (R. 144) and Goodwin expressly agreed that this was "absolutely correct" (R. 147).

The decision of the Court of Appeals in the present case is also in conflict with the decision of this Court in *Exhibit Supply Co.* v. *Ace Patents Corp.*, 315 U.S. 126, 136-137 (1942). In that case the patent applicant amended claims calling for conductor means "carried by the table" to read conductor means "embedded in the table". This Court said (315 U.S. 126 at page 136):

> "By the amendment, he recognized and emphasized the difference between the two phrases and proclaimed his abandonment of all that is embraced in that difference."

The recognition and emphasis of a difference between the two classes of devices and the proclamation of abandonment by Goodwin in the present case was even more clear than in the *Exhibit Supply* case. Goodwin's specification, itself, contrasted the two classes (R. 198, col. 1, lines 51-68). The Patent Office characterized the second class as relating to a "distinct invention", and Goodwin proclaimed his abandonment by cancelling the claims to the "distinct invention", expressly agreeing that the Patent Office ruling was "absolutely correct".

In *Exhibit Supply Co.* v. *Ace Patents Corp.*, 315 U.S. 126, 137, this Court pointed out on construction of claims that "it is immaterial whether the examiner was right or wrong." In the present case there is more than such an estoppel by conduct—cancellation or amendment of claims. There is the solemn, express acknowledgment that devices

in which "the operation does not depend on bolster load" relate to a "distinct invention" from that claimed by Goodwin (R. 144, 147).

The Court of Appeals did not mention the Patent Office history and so the error and clear conflict with the foregoing decisions of this Court do not appear on the face of the opinion of the Court of Appeals. However, this does not make the error or conflict any less real. Indeed, the failure of the Court of Appeals to refer to the conclusive fact findings of the District Court, or to even accurately summarize what the decision of the District Court was, and the reasons for it, was a departure from the accepted and usual course of judicial proceedings, a departure from Rule 52 of the Federal Rules of Civil Procedure, and is in conflict with many decisions of this Court and Courts of Appeal, including the following:

Graver Tank & Mfg. Co. v. *Linde Air Products Co.*, 336 U.S. 271, 279 (1949)

General Metals Powder Co. v. *S. K. Wellman Co., et al*, 157 F. (2) 505 (C.C.A. 6, 1946)

Timken-Detroit Axle Co. v. *Alma Motor Co.*, 163 F. (2) 190 (C.C.A. 3, 1947)

General Motors Corporation v. *Kesling*, 164 F. (2) 824, 836 (C.C.A. 8, 1947); Cert. den. 333 U.S. 855; reh. den. 333 U.S. 870.

The District Court further found confirmation of the construction of claim 10 from its history of origin in a patent application of one Shafer, from whom Goodwin won the claim in an interference (R. 180). The Court of Appeals made no mention of the origin of the claim or of the District Court's finding with respect to it.

The Court of Appeals in the present case determined the question of infringement without reference to the Patent Office history of the claim. This decision conflicts

not only with decisions of this Court, as pointed out above, but also with decisions of other courts of appeals, one of which is *Dwight & Lloyd Sintering Co.* v. *Greenwalt,* 27 F. (2d) 823 (C.C.A. 2, 1928) in which the Court in its opinion by Judge Learned Hand, said in part at page 832:

> "* * * After the claims have received an interpretation on which alone they secured any allowance at all, we conceive ourselves bound by the meaning so put upon them. Anything else makes an absurdity of the proceeding itself. The defendant cancelled the other claims, as he had to, and any express limitation which he was compelled to make would, of course, be conclusive upon him. * * * There can be no tenable distinction between limitations which are express and those which were presupposed by the authorities which allowed the claims and were the basis of their action."

It is respectfully submitted that this Court exercise its discretionary power and issue the writ of certiorari as prayed for in the Petition.

Respectfully submitted,

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